



STATE OF WASHINGTON

**LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS'
PLAN 2 RETIREMENT BOARD**

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REGULAR BOARD MEETING

June 21, 2006

The Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board met in the Boardroom of the Washington State Investment Board located at 2100 Evergreen Park Drive S.W., Olympia, Washington on June 21, 2006.

Board Members Present:

Kelly Fox, Chair
Greg Cuoio
Michael Edwards
Pat Hepler
Jeff Holy
Mark Johnston
Clint Olson
Glenn Olson
Senator Linda Evans Parlette

Staff Present:

Steve Nelsen, Executive Director
Shawn Merchant, Deputy Director
Jessica Burkhart, Executive Assistant
Jeralyn Faulhaber, Administrative Services Manager
Tim Valencia, Senior Research and Policy Manager
Greg Deam, Senior Research and Policy Manager
Suzanne Shaw, Assistant Attorney General

Guests:

Jim L. This, P.h.D – Strategic Planning Facilitator

Board Members Not Present:

Jack Simington, Vice Chair
Representative Geoff Simpson

In the absence of Kelly Fox and Jack Simington, Greg Cuoio called the meeting of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board to order at 9:40 a.m.

1) May 26, 2006 Board Meeting Minutes

It was moved that the May 26, 2006 Board meeting minutes be adopted as presented. Seconded.

MOTION CARRIED UNANIMOUSLY

2) Retiree Health Care Insurance Legislation – Representative Richard Curtis

Greg Cuoio, Lacey City Manager, introduced Representative Richard Curtis to the Board. Representative Curtis discussed the need for access into the state retirement health care system for LEOFF Plan 2 members. He explained the goal is to allow members to pay their portion (approximately \$370 per month) and be included in the plan.

Representative Curtis requested the Board consider working on legislation that would allow retired LEOFF Plan 2 Members to access coverage through the Public Employees Benefits Board (PEBB).

3) Retiree Health Care Insurance, Initial Consideration – Tim Valencia

As a follow-up to Representative Curtis's comments, Tim Valencia, Senior Research and Policy Manager provided an Initial Consideration and presentation on the topic of *Retiree Health Care Insurance*. The report included the LEOFF Plan 2 retiree projections, a briefing on health care costs, and the two basic funding approaches.

A Preliminary Follow-Up Report will be presented to the Board on the issue of Retiree Health Care Insurance Access at the August 2006 meeting.

4) Administrative Update**Select Committee on Pension Policy (SCPP) Update**

Steve Nelsen, Executive Director reported that at the latest meeting of the SCPP, coordination items such as Temporary Duty Disability, \$150,000 Inflationary Adjustment, and Dual Membership were discussed and moved forward.

5) Agenda Items for Next Board Meeting

Mr. Nelsen reviewed the Agenda Items Calendar for the upcoming meeting with the Board. The Board requested that the topic of Pension Forfeiture be moved to the August 2006 Board meeting and an Initial Consideration on Smoothed Interest Rate Assumption be moved to the September 2006 meeting.

6) 2006 Strategic Planning Session

Jim L. This, P.h.D, conducted the 2006 Strategic Planning Session for the Board. Dr. This provided a copy of the *Board's accomplishments* and the *2004 Strategic Plan* to review.

The Board reviewed their 2004 Strategic Plan, added new goals and objectives, and removed goals that no longer apply.

Dr. This will be presenting the revised 2006 Strategic Plan for the Board to review and modify at the July 26 Board meeting.

Next Meeting

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for July 26, 2006 from 9:30 a.m. – 3:00 p.m. at the Washington State Investment Board located at 2100 Evergreen Park Drive S.W., Olympia, Washington 98502.

There being no further business, the meeting adjourned at 2:52 p.m.